

**Testimony On Behalf Of The  
Connecticut Regional Office of the  
Anti-Defamation League**

**IN SUPPORT OF HOUSE BILL 5464  
AN ACT PROHIBITING STATE CONTRACTS WITH ENTITIES MAKING CERTAIN  
INVESTMENTS IN IRAN**

**March 12, 2012**

The Anti-Defamation League (ADL) was founded in 1913 with a mandate to fight the defamation of the Jewish people and secure justice and fair treatment for all. Today the ADL is one of the country's leading civil rights and human services organizations combating anti-Semitism and bigotry of all kinds. The Connecticut Regional Office of ADL is based in Hamden and serves the entire state of Connecticut.

We submit this testimony today to express our strong support for HB 5464, An Act Prohibiting State Contracts With Entities Making Certain Investments In Iran.

Iran's nuclear weapons program is the most serious threat to our national security, and the International Atomic Energy Agency has made perfectly clear that Iran is close to achieving its goal of attaining a nuclear weapons capacity.

Iranian President Mahmoud Ahmadinejad's pledge to wipe Israel off the map is well known, but experts on Iran understand that the Iranian regime considers America, not Israel, its main adversary. Ayatollah Ali Khomeini, Iran's Supreme Leader, has said that conflict with America is "natural and unavoidable" and ascribes many of Iran's problems to sinister American plots. Chants of "Death to America" nearly always accompany the chants of "Death to Israel" at regime-led rallies.

That Iranian missiles cannot yet reach America is irrelevant. If Iran were to attack the U.S. with a nuclear weapon, it would most likely do so with maximum deniability to reduce the chance of retaliation. Intercontinental missiles have clear return addresses, unlike a nuclear bomb onboard a cargo ship that explodes in an American port.

Even if Iran dared not attack the U.S., the nuclear proliferation in the Middle East provoked by an Iranian nuclear weapon capacity would increase the odds of a nuclear or radiological attack by Islamic terrorists. According to a 2009 Government Accountability Office report, officials in the U.S. Department of Homeland Security Domestic Nuclear Detection Office (DNDO) "acknowledge that both the new and current-generation portal monitors are capable of detecting certain nuclear materials only when unshielded or lightly shielded." The report also notes the testing standards did not reflect the kinds of shielding a terror operation would likely use. A 2010 GAO report found that DNDO admitted that the screening method they were using was "technologically immature."

The Iranian regime values its own survival -- but not much else -- more than its nuclear program, which is why sanctions must threaten the regime's stability if they are to have a chance of dissuading Iran from pursuing nuclear weapons. For that reason, current serious sanction efforts are focusing on Iran's energy and financial sectors, the subject of House Bill 5464 before you today.

The U.S. Government has led the campaign to target Iran's banks and has been joined by our allies in Europe, Australia, Canada, Japan, and Korea. Both the National Defense Authorization Act of 2012 and the Comprehensive Iran Sanction, Accountability, and Divestment Act of 2010 ("CISADA") provide for strong financial sanctions against foreign financial institutions that conduct certain transactions with Iranian entities. All foreign financial institutions will soon have to choose between doing business with the U.S. and doing business with Iran.

The goal of these sanctions is to complicate Iran's ability to sell its oil, because Iran's oil revenue is the lifeblood of the regime. As President Obama said last week, "Sanctions are continuing to increase, and this July - thanks to our diplomatic coordination - a European ban on Iranian oil imports will take hold. Faced with these increasingly dire consequences, Iran's leaders still have the opportunity to make the right decision."

Such sanctions need not disrupt global oil markets. When Libya's 1.3 million barrels per day of exports were halted by their revolution, increased supply by Saudi Arabia and coordinated sales from the strategic petroleum reserves of the U.S. and our allies calmed the market and brought down prices. Saudi Arabia alone could replace most of Iran's 2.3 million barrels per day of exports from its spare production capacity. The strategic petroleum reserves of the U.S., Canada, Europe, Japan, and Korea are almost 1.6 billion barrels - more than 20 months' worth of Iranian exports - with the capacity to deliver over four million barrels per day within 30 days. Private industry oil stocks add another 2.5 billion barrels, bringing total reserves to almost five years' worth of Iranian exports.

Sanctioning those who deal in Iranian oil will not cut off their exports completely, but the reduced volumes and deeply discounted price they will have to offer will significantly reduce Iran's oil income. If the regime's income is halved, it might not survive.

Last year, the Connecticut legislature demonstrated tremendous leadership in addressing Iran by passing "*An Act Concerning The Powers Of The State Treasurer, Divestment Of State Funds Invested In Companies Doing Business In Iran And Sudan, And The Membership Of A Medical Examining Board And The Connecticut State Employees Retirement Commission*," which authorized the Treasurer to divest pension funds from companies doing business with Iran.

We urge you to pass House Bill 5464 to ensure that the State of Connecticut contributes further to the pressure on Iran by prohibiting government entities from contracting with companies invested in Iran's energy and financial sectors.